

Executive Summary – Enforcement Matter – Case No. 47427
Cabot Norit Americas, Inc.
RN102609724
Docket No. 2013-1533-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Marshall Plant, 3200 University Avenue, Marshall, Harrison County

Type of Operation:

Activated carbon manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: The complainant has expressed an interest in this matter but does not wish to speak at Agenda.

Texas Register Publication Date: December 6, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$11,936

Amount Deferred for Expedited Settlement: \$2,387

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$9,549

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Executive Summary – Enforcement Matter – Case No. 47427
Cabot Norit Americas, Inc.
RN102609724
Docket No. 2013-1533-AIR-E

Investigation Information

Complaint Date(s): June 22, 2013, June 25, 2013, and July 4, 2013

Complaint Information: Alleged there was an explosion and black smoke coming from the plant.

Date(s) of Investigation: June 24, 2013 and July 23, 2013

Date(s) of NOE(s): July 30, 2013 and August 26, 2013

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, Respondent released 279.60 pounds ("lbs") of particulate matter, 91 lbs of sulfur oxides, 29 lbs of nitrogen oxides, 0.74 lb of carbon monoxide, and 0.14 lb of total non-methane organic carbon from the Multi-Hearth Furnace #3 ("MHF #3") Stack [Emission Point Number ("EPN") MHF3STACK], during an emissions event (Incident No. 184902) that began on June 21, 2013 and lasted for 30 minutes. The event occurred due to a fire that was caused when pluggage at the cyclone discharger was cleared and a release of hot carbon fines ignited. Since the emissions event could have been avoided through better operational and maintenance practices, Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3335, Special Terms and Conditions No. 8, and New Source Review Permit Nos. 78421 and PSDTX1183, Special Conditions No. 1].
2. Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery. Specifically, Incident No. 184902 was discovered on June 21, 2013 but was not reported until June 30, 2013 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to comply with the maximum emission rates for ammonia ("NH₃") of 2.75 pounds per hour ("lbs/hr") from the Multi-Hearth Furnace #2 ("MHF #2") Stack (EPN MHF2STACK). Specifically, during a stack test conducted on March 6, 2013, it was determined that the average NH₃ emissions rate from EPN MHF2STACK was 8.15 lbs/hr, resulting in the release of approximately 5,313.60 lbs of unauthorized NH₃ emissions [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit Registration No. 102514, and FOP No. O3335, Special Terms and Conditions No. 8].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

Executive Summary – Enforcement Matter – Case No. 47427
Cabot Norit Americas, Inc.
RN102609724
Docket No. 2013-1533-AIR-E

- a. On April 16, 2013, conducted a passing stack test for MHF #2 Stack, EPN MHF2STACK;
- b. On or before June 30, 2013, submitted the initial report for Incident No. 184902 and provided training to ensure that initial notifications are submitted in a timely manner;
- c. On July 11, 2013, implemented procedures to safely resolve cyclone plugs; and
- d. On or before July 29, 2013, installed safety devices on MHF #2 and temporarily shut down MHF #3 until repairs are completed and safety devices are installed.

Technical Requirements:

N/A

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Lee W. Brown, Facility General Manager, Cabot Norit Americas, Inc., P.O. Box 790, Marshall, Texas 75671

Amy Clyde, Safety, Health and Environmental Manager, Cabot Norit Americas, Inc., P.O. Box 790, Marshall, Texas 75671

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

| | | | | | | |
|--------------|-----------------|-------------|------------------|------------|----------------|-------------|
| DATES | Assigned | 3-Sep-2013 | Screening | 9-Sep-2013 | EPA Due | 23-May-2014 |
| | PCW | 23-Sep-2013 | | | | |

RESPONDENT/FACILITY INFORMATION

| | | | | | |
|-----------------------------|----------------------------|--|---------------------------|-------|--|
| Respondent | Cabot Norit Americas, Inc. | | | | |
| Reg. Ent. Ref. No. | RN102609724 | | | | |
| Facility/Site Region | 5-Tyler | | Major/Minor Source | Major | |

CASE INFORMATION

| | | | |
|--|-----------------|------------------------------|-----------------------|
| Enf./Case ID No. | 47427 | No. of Violations | 3 |
| Docket No. | 2013-1533-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Jessica Schildwachter |
| | | EC's Team | Enforcement Team 5 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

| | | |
|---|-------------------|----------------|
| TOTAL BASE PENALTY (Sum of violation base penalties) | Subtotal 1 | \$7,750 |
|---|-------------------|----------------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

| | | | | |
|---------------------------|--------------|--------------------|--------------------------------|----------------|
| Compliance History | 79.0% | Enhancement | Subtotals 2, 3, & 7 | \$6,122 |
|---------------------------|--------------|--------------------|--------------------------------|----------------|

Notes: Enhancement for four orders with denial of liability and reduction for one Notice of Intent to conduct an audit.

| | | | | | |
|--------------------|-----------|-------------|--------------------|-------------------|------------|
| Culpability | No | 0.0% | Enhancement | Subtotal 4 | \$0 |
|--------------------|-----------|-------------|--------------------|-------------------|------------|

Notes: The Respondent does not meet the culpability criteria.

| | | |
|--|-------------------|----------------|
| Good Faith Effort to Comply Total Adjustments | Subtotal 5 | \$1,936 |
|--|-------------------|----------------|

| | | | | |
|-------------------------|-------------|---------------------|-------------------|------------|
| Economic Benefit | 0.0% | Enhancement* | Subtotal 6 | \$0 |
|-------------------------|-------------|---------------------|-------------------|------------|

Total EB Amounts: \$45
Approx. Cost of Compliance: \$10,250
*Capped at the Total EB \$ Amount

| | | |
|-----------------------------|-----------------------|-----------------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$11,936 |
|-----------------------------|-----------------------|-----------------|

| | | | |
|---|-------------|-------------------|------------|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% | Adjustment | \$0 |
|---|-------------|-------------------|------------|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$11,936**

| | | |
|-----------------------------------|-------------------------------|-----------------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$11,936 |
|-----------------------------------|-------------------------------|-----------------|

| | | | | |
|-----------------|--------------|------------------|-------------------|-----------------|
| DEFERRAL | 20.0% | Reduction | Adjustment | -\$2,387 |
|-----------------|--------------|------------------|-------------------|-----------------|

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

| | |
|------------------------|----------------|
| PAYABLE PENALTY | \$9,549 |
|------------------------|----------------|

Screening Date 9-Sep-2013

Docket No. 2013-1533-AIR-E

PCW

Respondent Cabot Norit Americas, Inc.

Policy Revision 3 (September 2011)

Case ID No. 47427

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102609724

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Enter Number Here | Adjust. |
|-------------------------------|--|-------------------|---------|
| NOVs | Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>) | 0 | 0% |
| | Other written NOVs | 0 | 0% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 4 | 80% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (<i>number of counts</i>) | 0 | 0% |
| Emissions | Chronic excessive emissions events (<i>number of events</i>) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>) | 1 | -1% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 0 | 0% |
| Please Enter Yes or No | | | |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2) 79%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for four orders with denial of liability and reduction for one Notice of Intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 79%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 79%

Screening Date 9-Sep-2013

Docket No. 2013-1533-AIR-E

PCW

Respondent Cabot Norit Americas, Inc.

Policy Revision 3 (September 2011)

Case ID No. 47427

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102609724

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. 03335, Special Terms and Conditions No. 8, and New Source Review Permit Nos. 78421 and PSDTX1183, Special Conditions No. 1

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 279.60 pounds ("lbs") of particulate matter, 91 lbs of sulfur oxides, 29 lbs of nitrogen oxides, 0.74 lb of carbon monoxide, 0.14 lb of total non-methane organic carbon from the Multi-Hearth Furnace #3 ("MHF #3") Stack, Emission Point Number ("EPN") MHF3STACK, during an emissions event (Incident No. 184902) that began on June 21, 2013 and lasted for 30 minutes. The event occurred due to a fire that was caused when pluggage at the cyclone discharger was cleared and a release of hot carbon fines ignited. Since the emission event could have been avoided through better operational and maintenance practices and was not reported timely, the Respondent is precluded from asserting the affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| | Major | Moderate | Minor |
|----------------|-------|----------|-------|
| Release Actual | | | X |
| Potential | | | |

Percent 15.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

| | | |
|-------------------------|--------------|---|
| mark only one with an x | daily | |
| | weekly | |
| | monthly | |
| | quarterly | X |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

Before NOV NOV to EDPRP/Settlement Offer

| | |
|---------------|---------------|
| Extraordinary | |
| Ordinary | X |
| N/A | (mark with x) |

Notes

The Respondent completed corrective actions on July 29, 2013, prior to the July 30, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$15

Violation Final Penalty Total \$5,776

This violation Final Assessed Penalty (adjusted for limits) \$5,776

Economic Benefit Worksheet

Respondent Cabot Norit Americas, Inc.

Case ID No. 47427

Reg. Ent. Reference No. RN102609724

Media Air

Violation No. 1

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
Item Description No commas or \$

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | \$1,500 | 21-Jun-2013 | 11-Jul-2013 | 0.05 | \$4 | n/a | \$4 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$2,000 | 21-Jun-2013 | 29-Jul-2013 | 0.10 | \$10 | n/a | \$10 |

Notes for DELAYED costs

Estimated cost to install safety devices on Multi-Hearth Furnace #2 ("MHF #2"), shut down MHF #3, and implement procedures to safely resolve cyclone plugs. The Date Required is the date of the emissions event and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,500

TOTAL

\$15

Screening Date 9-Sep-2013

Docket No. 2013-1533-AIR-E

PCW

Respondent Cabot Norit Americas, Inc.

Policy Revision 3 (September 2011)

Case ID No. 47427

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102609724

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery. Specifically, Incident No. 184902 was discovered on June 21, 2013 but was not reported until June 30, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| | Harm | | |
|-----------|-------|----------|-------|
| Release | Major | Moderate | Minor |
| Actual | | | |
| Potential | | | |

Percent 0.0%

>> Programmatic Matrix

| | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| Falsification | | | x |

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirement.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

8 Number of violation days

| | | |
|----------------------------|--------------|---|
| mark only one with an x | daily | |
| | weekly | |
| | monthly | |
| | quarterly | |
| | semiannual | |
| | annual | |
| | single event | x |

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$62

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|------------|-------------------------------|
| Extraordinary | | |
| Ordinary | x | |
| N/A | | (mark with x) |

Notes

The Respondent completed corrective actions on June 30, 2013, prior to the July 30, 2013 NOE.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$386

This violation Final Assessed Penalty (adjusted for limits) \$386

Economic Benefit Worksheet

Respondent Cabot Norit Americas, Inc.

Case ID No. 47427

Reg. Ent. Reference No. RN102609724

Media Air

Violation No. 2

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
Item Description No commas or \$

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | \$1,500 | 22-Jun-2013 | 30-Jun-2013 | 0.02 | \$2 | n/a | \$2 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$250 | 22-Jun-2013 | 30-Jun-2013 | 0.02 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to submit the emissions event initial notification and provide training to ensure that initial notifications are submitted in a timely manner. The Date Required is the date the notification was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,750

TOTAL

\$2

Screening Date 9-Sep-2013

Docket No. 2013-1533-AIR-E

PCW

Respondent Cabot Norit Americas, Inc.

Policy Revision 3 (September 2011)

Case ID No. 47427

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102609724

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Standard Permit Registration No. 102514, and FOP No. O3335, Special Terms and Conditions No. 8

Violation Description

Failed to comply with the maximum emission rates for ammonia ("NH3") of 2.75 pounds per hour ("lbs/hr") from the MHF #2 Stack (EPN MHF2STACK). Specifically, during a stack test conducted on March 6, 2013, it was determined that the average NH3 emissions rate from EPN MHF2STACK was 8.15 lbs/hr, resulting in the release of approximately 5,313.60 lbs of unauthorized NH3 emissions.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | X |
| Potential | | | |

Percent 15.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

41 Number of violation days

| | | |
|-------------------------|--------------|---|
| mark only one with an x | daily | |
| | weekly | |
| | monthly | |
| | quarterly | x |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended from the March 6, 2013 stack test to the April 16, 2013 compliance date.

Good Faith Efforts to Comply

25.0% Reduction

\$937

| | Before NOV | NOV to EDPRP/Settlement Offer |
|-----|---------------|-------------------------------|
| | Extraordinary | Ordinary |
| | | x |
| N/A | | (mark with x) |

Notes

The Respondent completed corrective actions on April 16, 2013, prior to the August 26, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$28

Violation Final Penalty Total \$5,776

This violation Final Assessed Penalty (adjusted for limits) \$5,776

Economic Benefit Worksheet

Respondent Cabot Norit Americas, Inc.

Case ID No. 47427

Reg. Ent. Reference No. RN102609724

Media Air

Violation No. 3

Percent Interest 5.0

Years of Depreciation 15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
Item Description No commas or \$

Delayed Costs

| | | | | | | |
|--------------------------|---------|------------|-------------|------|------|------|
| Equipment | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$5,000 | 6-Mar-2013 | 16-Apr-2013 | 0.11 | \$28 | \$28 |

Notes for DELAYED costs

Estimated cost to comply with NH3 emissions rate for the MHF #2 Stack. The Date Required is the date of the stack test and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | |
|-------------------------------|--|--|------|-----|-----|-----|
| Disposal | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$28



Compliance History Report

PUBLISHED Compliance History Report for CN600356372, RN102609724, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN600356372, Cabot Norit Americas, Inc.

Classification: SATISFACTORY

Rating: 9.64

Regulated Entity: RN102609724, MARSHALL PLANT

Classification: SATISFACTORY

Rating: 9.64

Complexity Points: 25

Repeat Violator: NO

CH Group: 05 - Chemical Manufacturing

Location: 3200 UNIVERSITY AVE MARSHALL, TX HARRISON COUNTY

TCEQ Region: REGION 05 - TYLER

ID Number(s):

POLLUTION PREVENTION PLANNING ID NUMBER P02060

WASTEWATER PERMIT WQ0000703000

WASTEWATER EPA ID TX0000710

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD008050189

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 30101

AIR NEW SOURCE PERMITS PERMIT 2265A

AIR NEW SOURCE PERMITS PERMIT 3068A

AIR NEW SOURCE PERMITS PERMIT 5725A

AIR NEW SOURCE PERMITS REGISTRATION 41090

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HH0019H

AIR NEW SOURCE PERMITS AFS NUM 4820300001

AIR NEW SOURCE PERMITS REGISTRATION 56497

AIR NEW SOURCE PERMITS PERMIT 56552

AIR NEW SOURCE PERMITS REGISTRATION 72698

AIR NEW SOURCE PERMITS REGISTRATION 78103

AIR NEW SOURCE PERMITS PERMIT 78421

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1183

AIR NEW SOURCE PERMITS REGISTRATION 89199

AIR NEW SOURCE PERMITS REGISTRATION 95581

AIR NEW SOURCE PERMITS REGISTRATION 102514

AIR NEW SOURCE PERMITS REGISTRATION 112511

AIR NEW SOURCE PERMITS REGISTRATION 112509

AIR NEW SOURCE PERMITS REGISTRATION 106336

AIR NEW SOURCE PERMITS REGISTRATION 110066

AIR OPERATING PERMITS ACCOUNT NUMBER HH0019H

AIR OPERATING PERMITS PERMIT 3335

AIR OPERATING PERMITS PERMIT 3335

STORMWATER PERMIT TXR05AQ01

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HH0019H

Compliance History Period: September 01, 2007 to August 31, 2012

Rating Year: 2012

Rating Date: 09/01/2012

Date Compliance History Report Prepared: August 14, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: August 14, 2008 to August 14, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Jessica Schildwachter

Phone: (512) 239-2617

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 06/01/2009 ADMINORDER 2008-1671-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
30 TAC Chapter 122, SubChapter B 122.145(2)(B)
30 TAC Chapter 122, SubChapter B 122.146(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: GTC and STC No. 8 OP

Description: Failed to submit annual compliance certifications ("ACCs") and semi-annual deviation reports ("SDRs") since March 29, 2006

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: S.C. No. 3 PA

S.T.C. No. 6 OP

Description: Failed to perform stack sampling for PM on the No. 4 Dryer (Emission Point No. 4DRYDCSTK)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: S.C. No. 12.D. PA

Description: Failed to maintain records of venturi scrubber liquid flow rate.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(F)
30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 101, SubChapter F 101.201(c)
5C THSC Chapter 382 382.085(b)

Description: Failed to include all individually listed compounds which were known through process knowledge to have exceeded the reportable quantity during the May 22, 2008 emissions event on the initial report, and to submit the final record of the event within 2 weeks after the end of the emissions event. Specifically, the Respondent failed to report emissions of CO and H2S, both of which exceeded their respective reportable quantities, on the initial report. The final report was due on June 5, 2008; how

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 5725A, Special Condition 1 PA

Description: Failed to prevent unauthorized emissions during an emissions event at Kiln 5 on May 22, 2008. During the event which lasted two hours and 22 minutes, the total unauthorized emissions from the Kiln 5 Emergency Stack were 8,486 pounds ("lbs.") of CO, 213 lbs. of H2S, and 2,000 lbs. of PM. Since the Respondent failed to properly report the emissions event, the affirmative defense could not be met pursuant to 30 TEX. ADMIN. CODE § 101.222(b)(1).

2

Effective Date: 04/11/2010 ADMINORDER 2009-1722-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(F)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: STC 2F OP

Description: Failure to list all individually listed compounds on the initial notification which were known through process knowledge to have exceeded the reportable quantity during the emissions event. The initial notification for Incident # 118423 only listed carbon monoxide, but the final notification included hydrogen sulfide and particulate matter, both above the reportable quantities.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: STC 2F OP

Description: Failure to submit the final report within two weeks after the end of the emissions event. The emissions event for Incident # 118423 ended on January 5, 2009 and was due to be submitted by January 19, 2009, but the final report was not submitted until March 20, 2009 (60 days after the final was due). 30 TAC 101.201(b) requires that the final report be submitted no later than two weeks after the end of the event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 1 PERMIT

STC 6 OP

Description: Failure to prevent unauthorized emissions during an emissions event (Incident # 118423) at Kiln 5. Since NORIT failed to properly report the emissions event as described above, the affirmative defense was not met pursuant to 30 TAC 101.222(b)(1). During the event, NORIT released a total of 10,180 pounds of carbon monoxide (CO), a total of 256 pounds of hydrogen sulfide (H2S), and a total of 2,400 pounds of particulate matter (PM) over a 12 hour period.

- 3 Effective Date: 08/30/2010 ADMINORDER 2010-0345-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Major
Citation: 30 TAC Chapter 122, SubChapter B 122.121
30 TAC Chapter 122, SubChapter B 122.133(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter C 122.241(b)
5C THSC Chapter 382 382.054
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Federal Operating Permit No. O-1379 OP
Description: Failure to submit an application for renewal at least six months prior to expiration of a Federal Operating Permit ("FOP") and continued to operate the Plant after the permit expired. Specifically, the Respondent failed to renew FOP No. O-1379 before the permit expiration date of November 17, 2009.
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(15)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.165(a)(7)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Terms and Conditions OP
Description: Failure to include the Certification by a Responsible Official with the March 1, 2009 through August 31, 2009 deviation report.
- 4 Effective Date: 03/03/2012 ADMINORDER 2011-0850-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition 1(A) PERMIT
Special Condition 5(C)(1) PA
Special Condition 8(E) PA
Description: Failed to comply with permitted emission rates, maximum outlet grain loading limit, and control efficiencies during a stack test conducted on December 21, 2010 on the Multi-Hearth Furnace No. 2 Stack (EPN MHF2STACK).
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Conditions 1(A) and 5(C)(1) PA
Description: Failed to comply with permitted emission rates and the maximum outlet grain loading limit during a stack test conducted on December 20, 2010 on the Multi-Hearth Furnace No. 2 Feed Bin [Emission Point Number ("EPN") M2FDBNDCVT].

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

| | | |
|---------|--------------------|----------|
| Item 1 | August 19, 2008 | (710391) |
| Item 2 | September 19, 2008 | (710392) |
| Item 3 | October 19, 2008 | (710393) |
| Item 4 | November 05, 2008 | (706543) |
| Item 5 | November 17, 2008 | (727247) |
| Item 6 | December 17, 2008 | (749957) |
| Item 7 | January 19, 2009 | (727246) |
| Item 8 | February 25, 2009 | (735639) |
| Item 9 | March 20, 2009 | (749954) |
| Item 10 | April 13, 2009 | (749955) |

| | | |
|---------|--------------------|-----------|
| Item 11 | June 11, 2009 | (768142) |
| Item 12 | June 29, 2009 | (760301) |
| Item 13 | August 31, 2009 | (484812) |
| Item 14 | October 12, 2009 | (778693) |
| Item 15 | October 13, 2009 | (778676) |
| Item 16 | October 20, 2009 | (803984) |
| Item 17 | November 18, 2009 | (803986) |
| Item 18 | November 24, 2009 | (803985) |
| Item 19 | December 21, 2009 | (803988) |
| Item 20 | December 30, 2009 | (803983) |
| Item 21 | January 11, 2010 | (787332) |
| Item 22 | January 16, 2010 | (803989) |
| Item 23 | February 16, 2010 | (803982) |
| Item 24 | March 23, 2010 | (830605) |
| Item 25 | April 17, 2010 | (830606) |
| Item 26 | May 13, 2010 | (830607) |
| Item 27 | May 20, 2010 | (802609) |
| Item 28 | June 17, 2010 | (846174) |
| Item 29 | July 16, 2010 | (860771) |
| Item 30 | July 23, 2010 | (841721) |
| Item 31 | July 29, 2010 | (841640) |
| Item 32 | August 17, 2010 | (866736) |
| Item 33 | September 07, 2010 | (849995) |
| Item 34 | October 04, 2010 | (865559) |
| Item 35 | October 14, 2010 | (881414) |
| Item 36 | October 28, 2010 | (870691) |
| Item 37 | November 01, 2010 | (872197) |
| Item 38 | November 15, 2010 | (887944) |
| Item 39 | December 13, 2010 | (881314) |
| Item 40 | December 16, 2010 | (896137) |
| Item 41 | December 21, 2010 | (884490) |
| Item 42 | January 17, 2011 | (902214) |
| Item 43 | February 08, 2011 | (894536) |
| Item 44 | February 17, 2011 | (908990) |
| Item 45 | March 14, 2011 | (916255) |
| Item 46 | March 23, 2011 | (907054) |
| Item 47 | April 14, 2011 | (924529) |
| Item 48 | May 18, 2011 | (937933) |
| Item 49 | June 14, 2011 | (923010) |
| Item 50 | June 17, 2011 | (945244) |
| Item 51 | July 12, 2011 | (952530) |
| Item 52 | August 19, 2011 | (959213) |
| Item 53 | August 25, 2011 | (949340) |
| Item 54 | September 17, 2011 | (965216) |
| Item 55 | October 17, 2011 | (971284) |
| Item 56 | November 18, 2011 | (977441) |
| Item 57 | December 20, 2011 | (984212) |
| Item 58 | January 20, 2012 | (990502) |
| Item 59 | February 06, 2012 | (982735) |
| Item 60 | February 20, 2012 | (997874) |
| Item 61 | February 27, 2012 | (988766) |
| Item 62 | March 13, 2012 | (993694) |
| Item 63 | March 19, 2012 | (1003388) |
| Item 64 | April 04, 2012 | (994268) |
| Item 65 | April 13, 2012 | (997381) |
| Item 66 | April 19, 2012 | (1009954) |
| Item 67 | May 17, 2012 | (1016351) |
| Item 68 | June 18, 2012 | (1024075) |
| Item 69 | June 22, 2012 | (1013518) |
| Item 70 | August 13, 2012 | (1023795) |

| | | |
|---------|-------------------|-----------|
| Item 71 | October 22, 2012 | (1060571) |
| Item 72 | November 26, 2012 | (1060572) |
| Item 73 | November 28, 2012 | (1041510) |
| Item 74 | December 18, 2012 | (1051283) |
| Item 75 | December 19, 2012 | (1060570) |
| Item 76 | December 27, 2012 | (1060573) |
| Item 77 | January 14, 2013 | (1053571) |
| Item 78 | January 22, 2013 | (1078779) |
| Item 79 | January 24, 2013 | (1053517) |
| Item 80 | February 20, 2013 | (1078778) |
| Item 81 | March 19, 2013 | (1089212) |
| Item 82 | April 24, 2013 | (1095605) |
| Item 83 | May 21, 2013 | (1106531) |
| Item 84 | June 25, 2013 | (1110208) |

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

Notice of Intent Date: 10/19/2012 (1058534)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CABOT NORIT AMERICAS, INC.
RN102609724**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-1533-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Cabot Norit Americas, Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates an activated carbon manufacturing plant at 3200 University Avenue in Marshall, Harrison County, Texas ("the Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about August 4, 2013, and August 31, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Eleven Thousand Nine Hundred Thirty-Six Dollars (\$11,936) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Nine Thousand Five Hundred Forty-Nine Dollars (\$9,549) of the administrative penalty and Two Thousand Three

Hundred Eighty-Seven Dollars (\$2,387) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On April 16, 2013, conducted a passing stack test for Multi-Hearth Furnace #2 ("MHF #2") Stack, Emission Point Number ("EPN") MHF2STACK;
 - b. On or before June 30, 2013, submitted the initial report for Incident No. 184902 and provided training to ensure that initial notifications are submitted in a timely manner;
 - c. On July 11, 2013, implemented procedures to safely resolve cyclone plugs; and
 - d. On or before July 29, 2013, installed safety devices on MHF #2 and temporarily shut down Multi-Hearth Furnace #3 ("MHF #3") until repairs are completed and safety devices are installed.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3335, Special Terms and

Conditions No. 8, and New Source Review Permit Nos. 78421 and PSDTX1183, Special Conditions No. 1, as documented during an investigation conducted on June 24, 2013. Specifically, the Respondent released 279.60 pounds ("lbs") of particulate matter, 91 lbs of sulfur oxides, 29 lbs of nitrogen oxides, 0.74 lb of carbon monoxide, 0.14 lb of total non-methane organic carbon from the MHF #3 Stack (EPN MHF3STACK), during an emissions event (Incident No. 184902) that began on June 21, 2013 and lasted for 30 minutes. The event occurred due to a fire that was caused when pluggage at the cyclone discharger was cleared and a release of hot carbon fines ignited. Since the emissions event could have been avoided through better operational and maintenance practices, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

2. Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 24, 2013. Specifically, Incident No. 184902 was discovered on June 21, 2013 but was not reported until June 30, 2013.
3. Failed to comply with the maximum emission rates for ammonia ("NH₃") of 2.75 pounds per hour ("lbs/hr") from the MHF #2 Stack (EPN MHF2STACK), in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit Registration No. 102514, and FOP No. O3335, Special Terms and Conditions No. 8, as documented during an investigation conducted on July 23, 2013. Specifically, during a stack test conducted on March 6, 2013, it was determined that the average NH₃ emissions rate from EPN MHF2STACK was 8.15 lbs/hr, resulting in the release of approximately 5,313.60 lbs of unauthorized NH₃ emissions.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Cabot Norit Americas, Inc., Docket No. 2013-1533-AIR-E" to:

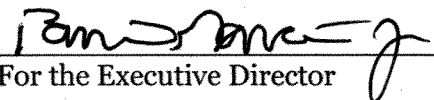
Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director


1/17/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

10/29/2013
Date

Lee W. Brown
Name (Printed or typed)
Authorized Representative of
Cabot Norit Americas, Inc.

Facility General Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.